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Before The FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

JUN - 3 1993

In the Matter of

Implementation of the Cable Television Consumer Protection and Competition Act of 1992

Cable Home Wiring

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

MM Docket No. 92-260

REPLY OF BELL ATLANTIC¹ TO COMMENTS ON RECONSIDERATION

The comments filed on reconsideration confirm that the Commission should reconsider its Order and apply the same rules to cable that apply to telephone inside wire or, at a minimum, promptly initiate any further proceedings that it deems necessary to do so.²

In fact, even the monopoly cable industry does not seriously dispute that consumers will benefit from applying the telephone inside wire rules to cable, nor could it reasonably do so. As the Commission previously found, its telephone inside wire rules "increase competition, [] promote new entry ... [and]

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The Bell Atlantic telephone companies ("Bell Atlantic") are The Bell Telephone Company of Pennsylvania, the four Chesapeake and Potomac telephone companies, The Diamond State Telephone Company and New Jersey Bell Telephone Company.

See Comments of the Consumer Electronics Group of the Electronics Ind. Ass'n at 1-2; Comments of USTA at 3; Comments of GTE at 1; Comments of Pacific Bell and Nevada Bell at 2.

produce cost savings which would benefit" consumers;³ it also has recognized that applying these rules to cable would "foster competition" to the benefit of consumers.⁴ Congress agrees,⁵ as do cable's own allies on other issues.⁶

Nonetheless, the cable incumbents argue that the Commission lacks jurisdiction to adopt rules that apply prior to termination of service. This is so, the argument goes, because the 1992 Cable Act mandates the adoption of rules governing the disposition of inside wire when a customer terminates service, but does not require the Commission to adopt similar rules prior to termination. The cable industry's argument is wrong for two reasons.

First, the Commission has jurisdiction over cable's inside wire independent of the 1992 Act. The Communications Act gives the Commission broad authority to prescribe regulations

Detariffing the Installation and Maintenance of Inside Wiring, CC Dkt 79-105, Second Report and Order at 2 (rel. Feb. 24, 1986)

Cable Home Wiring, 8 FCC Rcd 1435 at ¶ 6 (1993).

S. Rep. No. 102-92, 102d Cong., 1st Sess., at 23 (June 28, 1991) (praising the telephone inside wire rules as "a good policy [that] should be applied to cable").

See Ex parte Comments of Consumer Federation of America, MM Dkt No. 92-260 (Dec. 18, 1992) ("The Commission can bring competition to the home wiring market by providing parallel terms and conditions for consumer ownership of inside wiring to those applied to local telephone companies.").

See Opposition of NCTA at 9-10.

	governing the provision of "all interstate communications by
	wire or radio" including cable TV services. 8 This is the same
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to this Congressional intent by applying the telephone inside wire rules in their entirety to cable. 12

The cable incumbents' additional claim, that the telephone inside wire rules should not apply prior to termination of cable service because consumer control of cable home wiring might result in signal leakage, 13 is reminiscent of the "harms to the network" arguments made by the Bell System in the 1960's and 1970's. The Commission need not, however, relive its experience of the last 20 years.

First, the Commission has acknowledged in other proceedings that signal leakage is not a great concern and can be addressed (if necessary) through technical standards. This is also how the Commission addressed similar concerns for telephone wiring and CPE. If after actual experience applying the telephone rules to cable there are any problems, the Commission could initiate further proceedings to adopt additional standards.

Although the Commission has required cable operators to unbundle charges for home wiring and CPE from other cable services, Rate Regulation Order at 170, 180, this alone is not enough. Applying the telephone inside wire rules to cable is necessary to enable consumers to use competing installation and maintenance services, and to receive competing broadband services over their existing wiring, regardless of whether they have terminated cable service.

See Opposition of NCTA at 10, n. 10.

Rate Regulation Order at 179 & n. 683, 686.

See 47 C.F.R. § 68.300 et seq.

In the meantime, it should not deny consumers the benefits of competition.

Second, the Commission has already adopted rules giving consumers control of their cable wiring after service is terminated; consumers may now use this wiring to receive service from a competing provider. As a result, even if signal leakage were a concern when consumers control their own wiring, it is not a concern that would arise solely prior to termination of service, and does not justify different rules prior to termination than after.

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June 3, 1993

CERTIFICATE OF SERVICE I hereby certify that a copy of the foregoing "Reply of Bell <u>, i, ec.</u>

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